



Freshwater Habitats Trust

How we are making a difference for freshwater habitats

Annual report and accounts 2016/17

Contents

| | |
|---|----|
| Contents..... | 2 |
| Freshwater Habitats Trust - Protecting freshwater life for everyone | 3 |
| Summary of 2016/17 achievements | 3 |
| Our activities in 2016/17 | 5 |
| Reference details | 12 |
| Structure, governance and management | 13 |
| Financial review..... | 15 |

Freshwater Habitats Trust – Protecting freshwater life for everyone

As an evidence-based conservation charity, with a strong science grounding, Freshwater Habitats Trust was created in 1988 to ensure the future of wildlife in our freshwaters.

We are highly strategic and target our work where evidence suggests it will be most effective – working in partnership with many people, communities and organisations to get the best results for everyone.

Our organisation's strategic priorities are to protect and create high-quality freshwater habitats and expand and connect these through:

- **Research, monitoring and information:** investigating better ways to protect freshwater biodiversity, understanding national trends, reviewing the effectiveness of our work and teaching others what we know.
- **Practical projects:** implementing practical solutions to protect species and habitats based on best practice.
- **Public outreach and partnership:** working with people to achieve our aims and enable greater enjoyment of freshwater habitats for everyone.
- **Policy and advocacy:** championing freshwater biodiversity at regional, national and European levels.

Summary of 2016/17 achievements

During 2016/17 our work was underpinned by important new sources of evidence and through the efforts of hundreds of people who have worked with us in many different ways to protect life in freshwater.

Our **People, Ponds and Water** project, funded by the Heritage Lottery Fund and covering England and Wales, had a hugely successful year addressing the project's two overarching aims:

- To make a nationally significant difference to the protection of freshwater biodiversity in the UK.
- To engage many thousands of people with activities that help them to learn about, participate in and enjoy their freshwater heritage.

The three key components of the project have each had their own high spots:

PondNet – this volunteer network is collecting essential data about national trends in the status of ponds and the species they support so that they can be better protected. The PondNet project has had a great year, with **volunteers collecting data** from nearly 2000 sites. Our project officers held over 50 training sessions, including courses to allow keen volunteers to upgrade their skills from beginner to intermediate/expert levels. As part of PondNet, we've also been undertaking a special survey of Great Crested Newts using ground-breaking environmental DNA methods and, thanks to over 350 wonderful volunteers working with us in 2016, we completed the second year of the **world's first** national eDNA-based volunteer survey. As a result of this work, we now have a reliable understanding of the status of Great Crested Newts in England and Wales.

Flagship Ponds – entails working with local communities to help protect 70 of our most important freshwater sites so they retain their exceptional importance for freshwater life in the long term. During the year we completed the work to cement our relationship with partners at the sites; we have practical work now in progress or planned at all 70 locations. Important work at these sites included: **surveys** – highlighting new records for rare species such as the

Strawberry Stonewort on the Lizard in Cornwall and Brown Sedge at Cock Marsh in Berkshire; **translocation** - of endangered Tassel Stonewort in Buckinghamshire and Adders-tongue Spearwort in Gloucestershire; **practical management** - with volunteers in Oxfordshire preparing sites for livestock grazing; **ex-situ conservation** - working under license from Natural Resources Wales to bring a small number of individuals of the highly endangered Glutinous Snail into captivity, to provide an 'ark' population should any environmental disasters befall the last British site at Llyn Tegid; and **partnership work** - reviewing surveys to chart the course of protective management at pingo ponds in Norfolk.

Clean Water for Wildlife - a public participation survey enabling thousands of people to collect data about two important water pollutants (nitrate and phosphate) in ponds, ditches, streams, rivers and lakes; raising awareness of the huge extent of water pollution and helping people understand the places where clean water is still found. During the year this project made important strides undertaking the first demonstration of how to use the kits to describe water quality quickly across whole landscapes. The results of partnership work with colleagues at Earthwatch, using the test kits to describe water quality across **Greater London**, were published in the journal Science of the Total Environment. The results were unexpected in that they showed surprisingly large numbers of water bodies - mainly ponds and lakes - in this major urban area still comparatively unpolluted, even though most of the river network suffers substantial pollution. In the **New Forest** - one of the most important freshwater landscapes in Europe - the survey shows graphically, for the first time, just how remarkable and extensive the network of unpolluted ponds, streams and rivers is in the Forest - unlike anywhere else in lowland Britain.

The **People, Ponds and Water** project team has greatly increased our ability to 'get the message out' and is helping us to build relationships in key areas for freshwater biodiversity, work which is helping many different groups and individuals to better protect freshwater wildlife.

During 2016/17 we continued to develop our **Important Freshwater Areas** work, which is a critical part of our long-term strategy. During the year we made good progress on two national pilots for this project, one working with the Catchment-based Approach partnership and the other taking Oxfordshire as a case study.

Clean water pond creation continues to show great benefits through our **Water Friendly Farming** project, where we continued to evaluate the effect of landscape-wide pond creation on the freshwater biodiversity. We now have several years of data showing that the new clean water ponds we created increased overall freshwater biodiversity across the landscape by allowing new wetland plant species to colonise this otherwise intensively farmed landscape. We also revisited ponds created at **Pinkhill Meadow** 25 years after their construction. Overall diversity of freshwater plants and animals at Pinkhill has continued to slowly grow, with evidence gathered from this site making it one of the mostly intensively monitored new pond sites anywhere in the world.

We continued our practical action and public engagement on the ground, in the **catchment projects** covering the River Thames, the River Ock (west of Oxford, which also includes the flood prone area of central Oxford) and in the New Forest. The experience we are gaining in these areas will underpin landscape-wide practical initiatives in other parts of the country.

Like all charities, it is important for us to constantly keep the work of Freshwater Habitats Trust **under review** to ensure that our organisation is secure financially and is helping to meet the many challenges facing freshwater life. During the year we continued to implement the recommendations of the strategy refresh published in January 2015, thus ensuring that our work over the period 2015-2018 is well-focused on activities that help to achieve our objective. Previously, from 2012-14, we had undertaken work to increase our regional presence in various parts of England and Wales and are now using the People, Ponds and Water project as the foundation for a wider regional network which we hope to maintain following the initial 3 years funding.

Our activities in 2016/17

Practical projects

Water Friendly Farming is aiming to develop and test methods to maintain and enhance freshwater biodiversity, together with the services provided by the water environment, within landscapes where the predominant land use is commercial farming. This year the project focused on the critical stage of reporting the effects of putting in measures to improve the landscape for freshwater biodiversity, for reducing pollution and for holding back water.

This evidence-based demonstration programme developed by Freshwater Habitats Trust, Game & Wildlife Conservation Trust, Environment Agency, University of York and others, also secured long-term support through to 2021 through the Environment Agency's Anglian Northern Regional Flood and Coastal Committee.

In October 2016 we presented an update of the project's findings at a meeting in Portcullis House, Westminster. Early lessons from the project include both new findings and support for existing approaches to managing land to protect the water environment:

- Even in an intensively cultivated landscape there are small patches of clean water and some habitats achieve Good or High status for specific biological metrics.
- Most freshwater species are found in ponds, followed by streams and ditches. Where rivers are present they are similar in richness to ponds.
- Landscape-scale freshwater biodiversity is enhanced by clean water pond creation. In the short term, features created to hold back contaminated water can also contribute to regional freshwater biodiversity, although they are likely to decline in quality in the medium term as pollutants build up.
- Large buffer strips (10-20 m or more) reduce sediment loss substantially - perhaps by as much as 30%. Complete afforestation of the catchment would reduce sediment losses by c50%.
- Permeable dams, which are being implemented across the Water Friendly Farming demonstration site, are expected to reduce stream peak flows in 1:100 storm events by up to 20%.
- Other measures have had little short term effect on nutrient pollution and are generally overwhelmed by climatic and waste water treatment works effects.
- Product substitution or alternative cropping regimes are likely to be needed to reduce pesticide levels.

Catchment hosting - We are working with Catchment-based Approach (CaBA) groups and other stakeholders in three river catchments - the New Forest, the Thame and the Ock - to improve the water environment through practical projects and by supporting volunteer monitoring:

(a) New Forest (Hampshire) - We are co-lead in this catchment with the New Forest National Park Authority and other key partners including the Forestry Commission, the Hampshire & Isle of Wight Wildlife Trust and the Beaulieu Estate. During the year we ran a series of events and activities to raise awareness of pollution and biodiversity issues in the water environment:

- **New Forest Water Blitz** - highlighted the importance of small water bodies in the Forest as clean water refuges. Three-quarters of the water bodies surveyed in the New Forest were unpolluted by nitrate and phosphate. There is a summary of results on our website: <http://bit.ly/2qApGcA>.
- **Living Waters** - this Heritage Lottery funded project is now well under-way and we have installed two water harvesting systems to reduced diffuse pollution from local small businesses.
- We established a **volunteer monitoring network** - to sample nutrients throughout the River Beaulieu catchment in all types of water bodies - ponds, streams, rivers, ditches - and the River Beaulieu itself
- In partnership with the **Beaulieu Estate**, with funding from the Environment Agency, we also coordinated the delivery of measures to reduce diffuse pollution from agricultural sources throughout the catchment.

(b) River Thames (Oxfordshire/Buckinghamshire) – In this catchment we are working closely with the River Thames Conservation Trust and have been piloting our **Important Freshwater Area** approach:

- Preliminary results have highlighted data gaps, but also revealed critical information about where we should focus our attention in terms of practical work to **maximise benefits to freshwater wildlife**.
- We have also been **engaging with landowners**, who are critical if we want our work to restore the freshwater wildlife of the River Thames catchment to succeed.

(c) River Ock (Oxfordshire) – We are the CaBA hosts for this catchment and during the year we have continued with the development of the strategy for the area - building around the piloting of the **Important Freshwater Areas** concept and developing a good evidence base:

- Modelling optimum areas for holding back water - as the prelude to practical action.
- Working closely with local groups in the area to develop work that will add extra value to the Oxford Flood Alleviation Scheme, one of Britain's largest inland flood management projects.
- **River Ock Water Blitz** - undertaken in spring 2016, this survey provided the foundation for practical action, helping local groups working to protect fen habitats and emphasising the importance of protecting water quality. There is a summary of the results on our website: <http://bit.ly/2rEk8ht>.
- We also produced the first draft of the catchment's Water Environment Improvement Plan, which is now being reviewed by partners and other local organisations.

Flagship Ponds – During the second full year of our **People, Ponds and Water** project - funded by the Heritage Lottery Fund - we made a lot of exciting progress with the Flagship Ponds sites including work to help some of our rarest pond plants and animals. None of the work at these sites would have been possible without the collaborations between partner organisations and local volunteers. The 70 Flagship Pond sites that we are focusing on support 55 priority pond species (S41/S42) and an additional 18 species of conservation importance (Red List). During the year:

- 15 national species experts very kindly gave us their time to help protect these sites.
- Over 300 volunteers attended 40 training sessions to learn about the importance of their local site.
- New pond creation was undertaken at 10 sites, to build out from the existing high quality pond habitats.

Project highlights during 2016/17:

- Adder's-tongue spearwort has returned to **Inglestone Common** thanks to reinstatement of grazing and conservation work in collaboration with the Millennium Seedbank, Kew.
- The future of Glutinous Snail looks brighter at **Llyn Tegid** thanks to the tireless efforts of our associate Ian Hughes and his innovative snail refuges.
- Tubular Water-dropwort, Water Vole and dragonflies have made a new home in ponds created at **Rawcliffe Meadows** in the heart of York.
- Volunteers have undertaken delicate dune restoration work at **Aberffraw** for rare mosses last seen at this site more than 15 years ago.
- Over 40 volunteers helped to undertake pond management work on **Strensall and Skipwith Commons** for pillwort, and other rare pond plants found on the reserves.

Don't just take our word for it...this is what our **volunteers** said:

- *"It is brilliant to know that my work is contributing towards something so great. Particularly in a reserve that I didn't fully realise was so important for such threatened [pond] species"*

- *"The [Flagship Pond] event provided us with an opportunity to visit a site that we had not before explored, even though it is relatively close to where we live"*

Plans for the year ahead for practical projects -

- 2017 will see the culmination of our three-year **Flagship Ponds Project**. It has been wonderful to work with landowners and volunteers at these 70 critical wildlife sites - and we are confident that we can leave them in safe hands, with their rare species better **protected for the future**. It is such important work that, in the coming years, we aim to identify ways to expand and extend the project concept to reach new sites and areas.
- We are fortunate to have secured a further year of funding to continue our **CaBA hosting** in 2017/18 in the New Forest, River Ock, and River Thames **catchments**. This will enable us to continue to engage with landowners and fund capital works that reduce diffuse pollution and extend high quality freshwater habitats.
- After the success of Phase 1 of the **Million Ponds Project**, we will be seeking new opportunities to use pond creation as a highly effective way to increase the extent of clean water in our countryside. A new opportunity to do this may come through Natural England's revision of **Great Crested Newt licencing** for development projects. Working with the **Environment Bank, Amphibian and Reptile Conservation** and others, we will be aiming to ensure that any additional funding for new ponds is used to create really high quality habitats that will benefit both newts and a wide variety of other freshwater wildlife.

Research and monitoring

PondNet - This portion of our Heritage Lottery Funded **People, Ponds and Water** project had another successful year gathering high quality data about the trends in pond quality and pond species across England and Wales - none of which would have been possible without our incredible volunteers. As the Project Coordinator Naomi Ewald said:

"Our volunteers are such a remarkable bunch of people, from all parts of the country, all ages, and from beginners to experts. We've loved getting to know them and sharing our love of ponds with them. We now have an army of PondNetters championing our cause".

During the year:

- Over 1800 volunteer collected data records - smashing the overall target for the project
- Approximately 400 individuals attended training events.
- Volunteers contributed over 680 days worth of time helping us gather vital data.
- Volunteers completed the second year of environmental DNA (eDNA) surveys for Great Crested Newts from more than 600 ponds.

Project highlights during 2016/17:

- Natural England additional funding helped us work with around 40 **Local Environmental Record Centres** - to advertise to local volunteers, to provide a hub for equipment and training, to identify sites for rare plant and invertebrate surveys, and as a way of communicating the project to the local recording community.
- **Spawn survey** - collecting widespread data on breeding frogs and toads, this was a great transition activity for new recorders and those who had previously undertaken Clean Water Surveys. Each week we produced a map showing the spawn sightings recorded by volunteers and shared it on social media - one post on Facebook shared by BBC Springwatch received 879 reactions, comments and shares triggering 250 records in just 3 days!
- Surveys of some of the best sites in the UK using the National Pond Survey methods.
- Laying the groundwork for rare plant and animal species surveys in 2017/18.

This is what our volunteers said about PondNet:

- *"For someone like me the training sessions made a huge difference, because it got us 'doing' something, not just reading about it or looking on the Internet. It boosted my confidence a lot, and made me start doing practice instead of just theory. So I hope you and the team know that all those miles and hours do pay off, little by little, and thank you for doing it. Its proper real-world, hands-on experience."*
- *"I really enjoy undertaking the surveys and it's satisfying to think I may have a role in bringing about positive change for this species, albeit a very small one!"*

Clean Water for Wildlife – This citizen science project, which is part of the People, Ponds and Water project funded by the Heritage Lottery Fund, is aiming to find the hidden clean water gems - places which are free from pollution and where wildlife still thrives. The survey also aims to show – for the first time – the true extent of nutrient pollution facing freshwater wildlife today. Volunteers can use a quick test kit to test the levels of nitrate and phosphate then record their results on our website.

During the year this project has made some pioneering progress:

- Over 2100 citizen scientists collected data from just under 7000 sites.
- We engaged with 128 volunteer survey groups.
- We disseminated results at four bespoke Clean Water for Wildlife events.
- Five stakeholder group meetings were held to discuss the importance of this work.
- Online resources were launched including leaflets, activity packs, 'how to' videos and case studies.

Project highlights during 2016/17:

- Additional funding from Thames Water allowed us to run the sub-project Thames Water for Wildlife – enabling communities to access and engage with their local freshwaters, receive training to conduct extra monitoring activities and helping spread the message across the Thames Water region.
- Publication of the technical report outlining results of the quick test kits compared to laboratory results, plus contextual information defining the term clean water and reviewing the effect of nutrients on freshwaters. The full report can be found on our website: <http://bit.ly/2sqKZKo>.
- We sent out 'Activity Packs' to approximately 50 schools across England, some in partnership with the Thames Water for Wildlife and Living Waters projects. During the next year we will be distributing further packs to schools in Wales.
- Case studies produced following successful Water Blitz events within the New Forest and London.

Our volunteers had a great time with the survey:

- *"I liked how it raised the profile of ponds and ditches and their importance for wildlife. It also included a what's next section which is very useful and will hopefully encourage people to get involved in their local community and take pride in their surroundings."*
- *"It's been great to get out and discover the countryside - visiting ponds on private land that no-one would otherwise know about."*
- *"Simply brilliant!"*

Million Ponds Project – More and more of the ponds created during Phase 1 of the Million Ponds Project are now showing successful outcomes as they are colonised by the endangered species they were intended for:

- New ponds created by the RSPB at Sutton Fen in Norfolk have been quickly colonised by a host of endangered plants and animals, as have ponds at Malltraeth Marsh in Anglesey.

- Ponds have been colonised by Great Crested Newts in areas as widely separated as Cheshire and Oxfordshire.
- The sensitive aquatic fern Pillwort, restricted now to the highest quality freshwaters, has appeared in new ponds within Bramshill in Hampshire, The Lizard in Cornwall, Strensall Common in Yorkshire, Llangloffan Fen in Pembrokeshire, and on the Dorset Heaths..

Pinkhill Meadow 25 years on – Evidence-gathering is a crucial part of our work, so this year we revisited the ‘new’ ponds at Pinkhill Meadow, 25 years after their construction. This is now the longest running monitoring dataset from new ponds in Europe. This year’s survey was particularly valuable because grazing is just about to be introduced to the site, so it was important to have a baseline to look at how grazing (for which the site was designed) affects the ponds:

- Overall diversity of freshwater plants and animals at Pinkhill has **continued to slowly grow**, plateauing at around 70 wetland plant species and about 100 aquatic macroinvertebrates.
- The length of the study is **revealing important new information** – including that some individual ponds have declined slightly in richness as they have been over-run by Common Reed.
- Particularly interesting is that, after 25 years, none of the plants and animals characteristic of old, unpolluted wetlands have colonised the site. This includes species such as Frogbit, Tubular Water-dropwort, Water Violet and the old fen water beetles such as *Enochrus nigrita* or *Peltodytes caesus*, all of which occur in ancient wetlands within 10-15 km of Pinkhill. These are likely to become the subject of future experimental introduction projects to see if we can fully recreate the old fen plant and animal community.

The Lower Windrush Valley Project – During the year we continued to be actively involved in this project, focused in an important area of Oxfordshire for freshwater wildlife. The site was designated an Important Stonewort Area over 10 years ago following a survey we conducted of some of its 40 gravel pit lakes. We are members of the Technical Advisory Group and through funding from Smiths of Bletchington - one of the major sand and gravel extraction companies in the valley - we are also involved in the management and detailed monitoring of Rushy Common Nature Reserve, a site which has received restoration awards from Natural England and the Mineral Products Association.

Plans for the year ahead for research and monitoring

As our HLF funded **People Ponds and Water** project enters its final year, we will be drawing together the enormous amount of information that our volunteers have collected. The results are both exciting and important because they will enable us to help answer some critical conservation questions:

- How are our rarest freshwater plant and invertebrate species faring - are they declining or doing well?
- What is happening to the best quality ponds in the UK? We know that countryside ponds are declining in quality but what about the waterbodies on nature reserves that support so many important species?
- How good is the water quality in our streams, ponds, lakes and rivers? How much clean water is out there? Where is it, and how can we protect it better?

Public outreach and partnership

We use our information to **make a practical difference** in freshwater conservation through advice to the public, technical guidance, strategic planning, dissemination in the media, network co-ordination, training, education and policy. Our public advice and engagement continued to grow, with outputs from the Heritage Lottery Funded People, Ponds and Water project crucial for the effective protection of freshwater biodiversity.

Engagement

- **Website** - With over 300,000 page views to our website during the course of the year, we are aware that this is our most valuable resource and as such try to keep it as up to date as possible. The areas that attract the most

visitors are our advice on how to make a pond, creature identification pages and surveys such as the Spawn Survey that ran in the spring of 2017.

- **Advice line** - Although the advice on our website is extensive we are also contacted a lot by the public wishing to gain more advice - during the year we helped over 200 people looking for advice, guidance or identification of creatures.
- **Social media** - This remains our main outlet for communications to the wider public. Our [Facebook](#) and [Twitter](#) accounts both continued to grow by approximately 20% during the course of the year, giving us a total audience reach of over 11,200 people by the end of March 2017.
- **Electronic newsletters** - During 2016/17 the audience of our newsletter [Ripples](#) continued to grow with an above industry average open rate of around 35% - plus a new technically focused newsletter dealing with our [Research and Policy work](#) was launched in March 2017 which we will continue to develop in the coming year.
- **Media and articles** - During the year we continued to comment on freshwater wildlife in the widely read conservation magazine [British Wildlife](#), led or fed into various articles including in Defra's [Biodiversity News](#) and in various blogs, plus made TV appearances on [Countryfile](#), the BBC Wales show [Great Welsh Parks](#) and [Countryfile Diaries](#).
- **Videos** - Our [YouTube](#) channel continued to grow and we launched a further 7 videos including one on our [Flagship Pond Appeal](#) and some in the popular "How To" series linked to surveys in our [PondNet](#) project.

Dissemination

Disseminating our information, and encouraging others to do so, is an important part of our work and this year papers published included:

- A special edition of the scientific journal [Hydrobiologia](#), published towards the end of 2016, contained papers highlighting the importance of small waters.
- A paper highlighting the collection of professional and citizen science data on clean water, published in the journal [Science for the Total Environment](#).

Training

Most of the training events throughout this year were in connection with one of the [People, Ponds and Water](#) projects - such as [PondNet](#) and [Flagship Ponds](#). We also ran [training for consultants](#) to learn about the techniques involved in collecting eDNA water samples to test for Great Crested Newts - in total during the year we ran over 100 courses for over 850 attendees.

Championing freshwaters across Europe

The threats to freshwaters, apparent in our and other's data, indicate the vital need to champion freshwaters in the face of many different threats, especially the smaller waterbodies - ponds, streams, headwaters, ditches, springs and flushes - which make up the majority of the freshwater resource and support most freshwater species. We maintained our support for the [European Pond Conservation Network \(EPCN\)](#), which has helped transform the profile of ponds in Europe and beyond.

Plans for the year ahead for public outreach and partnership -

- It is vital that we continue to communicate our findings so that they can bring most benefit to freshwater biodiversity.
- For our [Water Friendly Farming](#) project we now have six years of data and two summary reports which provide unique information about how we can best achieve the triple wins of biodiversity gain, flood protection and pollution reduction in the farmed countryside. In 2017, we will be producing our first scientific papers for this project, to ensure that the results reach as wide a technical audience as possible.

- As we reach the end of the year, our final reporting for the People, Ponds and Water project will be a celebration of all that the project has achieved. Not only will we be producing a range of reports on the project's critical findings, but we will be running events that help us get together to say thank-you to the many people that have made the project such a success.
- 2018 will be the 30th year since our founding as a charity and during 2017/18 we will begin planning for how we can **celebrate our work** over the past 30 years and how we hope to continue it for the next 30 years.

Influencing Policy

Brexit – June 2016 presented us all with a new and uncertain future in light of the referendum result. Nature conservation policy nationally is now dominated by the decision to **leave the European Union** and what this may mean for the natural environment. This has to some extent cut short our European work on better integration of small water bodies in EU water management and biodiversity legislation. Our focus is firmly back home now until there is more clarity on how key legislation for the protection of the water environment will look post-2020.

The break from Europe **may pose considerable risks**, particularly if laws to protect freshwater ecosystems are weakened and essential funding to prevent further damage is withdrawn.

On the other hand, there are **also considerable opportunities** to:

- Improve on relevant legislation and policies.
- Better integrate agriculture and nature conservation.
- Expand the implementation of natural capital accounting in land management.

We are working with other NGOs as part of Wildlife and Countryside Link so that these once-in-a-lifetime opportunities are realised and freshwaters are better protected in future.

The State of Nature Report - A case study on the successes of the Million Ponds Project was published in the 2016 State of Nature report. This showcased how creating clean water ponds can benefit freshwater wildlife, cheaply and quickly.

- Almost 10 years after the project was first launched, thousands of clean water ponds have been created, and a number of monitoring projects - including a doctorate with Sheffield University - provide evidence to show the benefits of new clean ponds for the protection of freshwater wildlife is now incontrovertible - to our delight!

Important Freshwater Areas - During this year we have continued to develop the Important Freshwater Areas (IFA) concept.

- With funding from the Patsy Wood Trust, we were able to **collect and collate data** on around 1000 species of plant and animals, either aquatic or from 'wet' habitats.
- Using this **unique dataset**, we developed a methodology for identifying where we should focus our efforts to halt extinctions regionally.

During the next year (2017/18) will undertake a **wide consultation and review for our Important Freshwater Area project** to ensure this work can effectively feed into policy, planning and practical catchment work - and can also support CaBA groups in delivering Biodiversity 2020 objectives as well as those of the Water Framework Directive.

Reference details

Patron:

The Earl of Selborne KBE FRS

Board of Trustees:

| | |
|-----------------------------|------------------------------|
| Martin Layer | Chair of Trustees |
| Paul Jackson | Treasurer - re-elected Oct16 |
| Baroness Hilton of Eggardon | |
| Juliette Jowit | |
| Professor Lorraine Maltby | retired Oct16 |
| Geoff Phillips | re-elected Oct16 |
| Keith Lawrey | |
| Roger Thomas | |
| Dr Mark Downs | appointed Jul16 |
| Kasia Ladds | appointed Jan17 |

Company Secretary:

Ms Jo Fever

Senior Management Team:

| | |
|--------------------|--|
| Dr Jeremy Biggs | Director |
| Penny Williams | Technical Director |
| Dr Pascale Nicolet | Policy & Implementation Director |
| Dr Naomi Ewald | People, Ponds and Water Manager |
| Michael Barnes | Interim Finance Director - left 31/07/2016 |
| Natasha Challoner | Finance Manager - started 25/10/2016 |

Registered Office:

Bury Knowle House,
North Place, Headington,
Oxford, OX3 9HY

Auditors:

Kingston Smith
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers:

HSBC Bank plc
108 London Road, Headington
Oxford, OX3 9AP

Freshwater Habitats Trust is a registered charity, no. 1107708, and a company limited by guarantee registered in England and Wales, no. 5317683, at the above registered address.

Structure, governance and management

The Trustees (who are also directors of Freshwater Habitats Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Freshwater Habitats Trust is an incorporated charity established and governed under a Memorandum and Articles of Association completed in December 2004, under the name of Pond Conservation: The Water Habitats Trust. The Trust was entered onto the Register of Charities, Number 1107708, on 19th January 2005. It was registered as a Limited Company, Number 5317683, on 20th December 2004. Pond Conservation remained inactive until 1st April 2005, at which point it took over the charity "The Ponds Conservation Trust". It subsequently also took over the subsidiary company "The Ponds Conservation Trust: Policy & Research Ltd". The Trust's name was changed to Freshwater Habitats Trust in August 2013 and the Memorandum and Articles of Association were updated to reflect this in October 2013.

The Trust is administered by a Board of Trustees, currently consisting of nine members. The Senior Management Team (SMT) reports to the Trustee Board, and manages staff and activities of the Trust under delegated authority from the Trustee Board.

The financial management and fundraising strategy of the Trust are supervised by Trustees and SMT, reporting and making recommendations to the full board for implementation.

The Trust currently provides an informal induction process for new Trustees. Prospective trustees are nominated for their professional experience and the match of their skills to the board's needs. They are approached by the Chair or an SMT member, the aims and activities of the Trust are explained to them, and they are provided with explanatory information and reports. They are invited to attend a board meeting to learn more of our work and procedures and when possible, to meet staff. On becoming a Trustee, they are provided with explanatory material on Trusteeship from the Charity Commission, and copies of the budget, recent accounts, and recent staff and board meeting minutes.

Public benefit

The Board of Trustees is satisfied that they have complied with the duty in Section 4 of the 2006 Charities Act to have due regard to public benefit guidance including the guidance 'Public Benefit:Running a Charity (PB2) issued by the Charity Commission, and that the mission, aims and activities of Freshwater Habitats Trust meet with these criteria.

Objects

- To advance public education in the conservation and ecology of ponds, wetlands, catchment systems and other water habitats.
- To promote for public benefit the conservation and creation of freshwater habitats and their wildlife, and their sustainable enjoyment by the public, in particular, but not exclusively, through:
 - (a) Promotion and conduct of active creation and conservation of freshwater habitats and their catchments.
 - (b) Public education in the conservation and ecology of freshwater habitats and their catchments.
 - (c) Promotion and conduct of research and the dissemination of useful results.
 - (d) Advocacy to promote the conservation, creation, sustainable use and enhancement of freshwater habitats.

Mission statement

To protect freshwater life for everyone to enjoy.

Risk management

The Board of Trustees have assessed the key risks to which the charity is exposed, these relate to the operations, reputation, business and finance of Freshwater Habitats Trust. The Senior Management Team (SMT) assess and update the likelihood and impact of material risks on a risk management matrix, which is reviewed by the Board on a quarterly basis at Trustee meetings. Any significant changes are reported to Trustees as they arise.

Health and Safety Procedures are reviewed annually on a rotational basis, with Health and Safety reports as standing items on Board, SMT and staff meeting agendas. Specific risk assessments are carried out for all new activities and field working sites. Health and Safety is a primary element of the staff induction system, and training is provided whenever appropriate.

Pay policy for senior staff

The pay of the senior staff is reviewed annually alongside all employees in line with the cost of living percentage increase, with a final decision on any awards made annually by trustees.

Financial review

The Statement of Financial Activities for the year ended 31 March 2017 is set out on page 20 of this report.

Income

Freshwater Habitats Trust's total income increased by 18% in 2016/17 to £962k (2015/16: £818k). Most of this increase is in Contract Income, particularly from the Water friendly farming project.

Voluntary income of £638k (2015/16: £752k) still represents the majority of Freshwater Habitats funding: People Ponds & Water received £398k Heritage Lottery Fund. Continuing grants included the Citizen Science Water project funded by Earthwatch Institute (£45k), Water Friendly Farming research funding (£26k), Environment Agency (30k), Patsy Wood Trust funding Important Freshwater Areas in Oxfordshire (£26k) and Thames Water for Wildlife (£51k). Whilst new grants began from New Forest National Park (£24k).

Charitable activities income of £323k is significantly higher than the prior year (2015-14: £65k) this mainly was from Environment Agency, Water Friendly Farming project (£135k) and other smaller projects (£43k). Natural England £51k, eDNA Great Crested Newt monitoring (£25k).

Expenditure

Total expenditure for 2016/17 is marginally higher by 4% at £868k (2015/16: £834k) in part due to the higher level of project funds carried forward and spent from the previous year. The fundraising and governance costs of the organisation remain low at 1% of total expenditure (2015/16: 4%), with no dedicated fundraiser during the year.

Charitable expenditure is dominated by public outreach and partnership projects due to the People, Ponds and Water project, although this does have both practical and research and monitoring elements:

- Practical Projects including the Catchment Partnership Projects and New Forest projects make up 16% (2015/16: 18%).
- Public Outreach and Partnership, including People, Ponds & Water, make up 62% (2015/16: 53%).
- Research and Monitoring, including the Earthwatch Citizen Science Project and Water Friendly Farming make up 16% (2015/16: 22%).
- Policy spending at only 6% (2015/16: 3%) remains relatively small, but does not require extensive practical costs.

Reserves position

Closing reserves of £588k are 19% higher than 2015/16 (£495k) primarily due to the higher closing position of unrestricted reserves.

Restricted reserves decreased 6% to £154k (2015/16: £163k) due to completing a number of grant funded projects which started in the previous financial year.

Unrestricted reserves increased 31% to £434k (2015/16: £331k). This was in part due to higher funds held over relating to contract funds on ongoing projects (£275k, 2015/16: £21k).

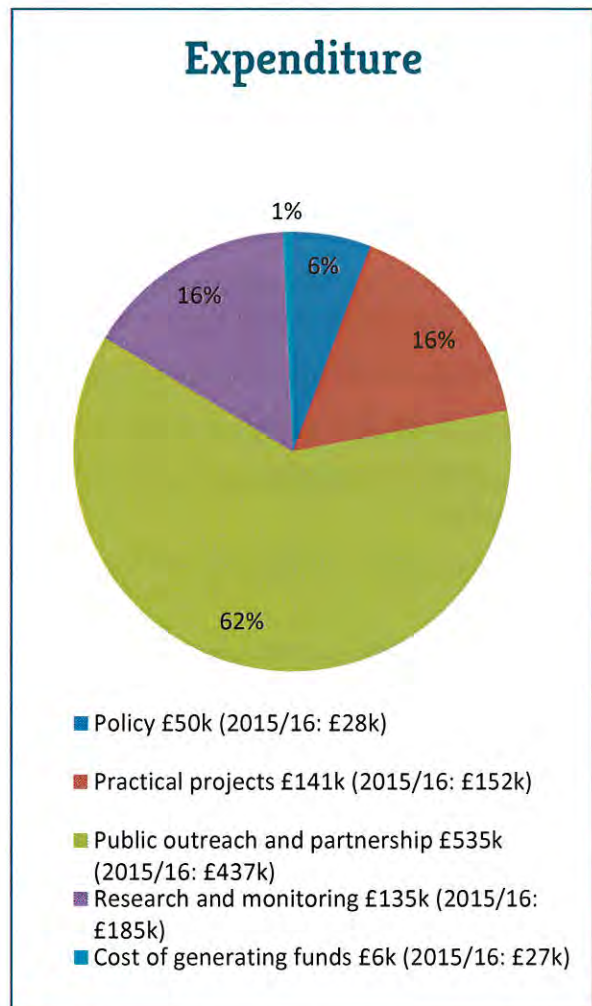
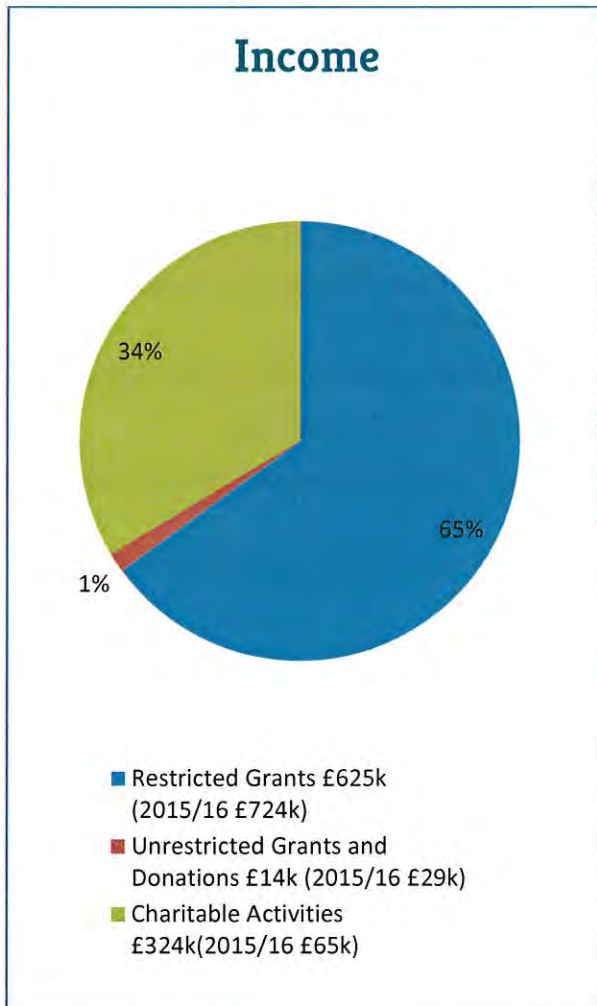
Reserves policy

The Trustees have agreed to maintain unrestricted reserves to meet the requirements of Freshwater Habitats Trust's working capital, in order to meet any temporary shortfall in funds, or cover unexpected expenditure, such as finding new accommodation, and therefore enable Freshwater Habitats Trust to fulfil its charitable objectives. Working capital is defined as the equivalent of 6 months' unrestricted expenditure (£459k).

The Board of Trustees reviews the Reserves Policy and amount of reserves required annually as part of the budget setting process. The unrestricted reserves at the end of this period were £434k and comply with this policy.

Restricted reserves represent unspent monies received from donors who have specific conditions as to their use on agreed projects. These funds are fully covered by matching assets. No project funds are in deficit at the end of the financial year, and the Board of Trustees anticipates that these are sufficient to fulfil project requirements.

The Board of Trustees considers there are sufficient reserves held at the year end and therefore continues to adopt a going concern basis in preparing the accounts.



Approval

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements.
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the Trustees of the Charity.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed under sections 487(2) of the Companies Act 2006.

Small Company Rules

These accounts have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees on 26 July 2017,.....

Martin Layer
Chair



Paul Jackson
Treasurer



Independent Auditors' report to the members of Freshwater Habitats Trust

Year ended 31 March 2017

We have audited the financial statements of Freshwater Habitats Trust for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 17 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

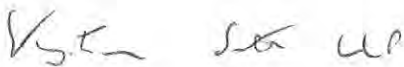
- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.



Date 31/7/2017

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of financial activities for the year ended 31 March 2017

(Incorporating the summary Income and Expenditure account)

| | Note | Unrestricted funds | Restricted funds | Total funds year ended 31-Mar-17 | Total funds year ended 31-Mar-16 |
|--|------|--------------------|------------------|----------------------------------|----------------------------------|
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Grants and donations | 2 | 13,530 | 624,937 | 638,467 | 752,156 |
| Investments | | 445 | - | 445 | 743 |
| Charitable activities | 3 | 276,397 | 46,775 | 323,172 | 65,250 |
| Total income | | 290,372 | 671,712 | 962,084 | 818,149 |
| Expenditure on: | | | | | |
| Raising funds | 4 | 4,764 | 1,650 | 6,414 | 26,593 |
| Charitable activities | 5 | | | | |
| Influencing policy | | - | 50,149 | 50,149 | 28,126 |
| Practical projects | | 38,125 | 102,955 | 141,080 | 152,138 |
| Public outreach & partnership | | 89,281 | 446,046 | 535,327 | 442,693 |
| Research & monitoring | | 63,633 | 71,776 | 135,408 | 184,697 |
| | | 191,039 | 670,926 | 861,963 | 807,654 |
| Total expenditure | | 195,803 | 672,576 | 868,379 | 834,247 |
| Transfers between funds | | 8,332 | (8,332) | - | - |
| Net movement in funds | | 102,901 | (9,196) | 93,705 | (16,098) |
| Fund balances at 1 st April 2016 | | 331,181 | 163,343 | 494,524 | 510,622 |
| Fund balances at 31st March 2017 | | 434,082 | 154,147 | 588,229 | 494,524 |

Balance sheet as at 31 March 2017

| | Note | 31-Mar-17 | 31-Mar-17 | 31-Mar-16 | 31-Mar-16 |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets: | | | | | |
| Intangible assets | 11 | 6,267 | | 8,677 | |
| Tangible assets | 12 | <u>3,057</u> | 9,324 | <u>5,892</u> | 14,569 |
| Current assets: | | | | | |
| Stock | 13 | 813 | | 99 | |
| Debtors | 14 | 246,015 | | 181,655 | |
| Cash at bank and in hand | | 500,346 | | 368,007 | |
| Total current assets: | | <u>747,174</u> | | <u>549,761</u> | |
| Creditors: | | | | | |
| Amounts falling due within one year | 15 | (168,269) | | (69,806) | |
| Net current assets: | | | <u>578,905</u> | | <u>479,955</u> |
| Net assets: | | | <u>588,229</u> | | <u>494,524</u> |
| The funds of the charity: | | | | | |
| Restricted funds | | | 154,147 | | 163,343 |
| Unrestricted funds | | | 434,082 | | 331,181 |
| Total charity funds | 16 | | <u>588,229</u> | | <u>494,524</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These statements were approved and authorised for issue by the Trustees on 26 July 2017 and signed on their behalf by:



Martin Layer
Chair

Company Number 5317683

Cash flow statement

For the year ended 31st March 2017

| | Notes | 2017 | 2016 |
|---|-----------|----------------|----------------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net cash provided by (used in) operating activities | see below | 131,894 | (3,841) |
| Cash flows from investing activities: | | | |
| Interest income | | 445 | 743 |
| Purchase of plant and equipment | 12 | - | (10,125) |
| Net cash provided by (used in) investing activities | | <u>445</u> | <u>(9,382)</u> |
| Change in cash and cash equivalents in the reporting period | | 132,339 | (13,223) |
| Cash and cash equivalents at the beginning of the reporting period | | 368,007 | 381,230 |
| Cash and cash equivalents at the end of the reporting period | | <u>500,346</u> | <u>368,007</u> |

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | | 2017 | 2016 |
|--|-------|----------------|----------------|
| | | £ | £ |
| Net income/(expenditure) (as per the statement of financial activities) | | 93,705 | (16,098) |
| Adjustments for: | | | |
| Depreciation and amortisation charges | 11,12 | 5,245 | 2593 |
| Investment income | | (445) | (743) |
| (Increase)/decrease in stocks | 13 | (714) | 287 |
| (Increase)/decrease in debtors | 14 | (64,360) | 53,479 |
| Increase/(decrease) in creditors | 15 | 98,463 | (43,359) |
| Net cash provided by (used in) operating activities | | <u>131,894</u> | <u>(3,841)</u> |

Analysis of cash and cash equivalents

| | | 2017 | 2016 |
|---------------------------------|--|----------------|----------------|
| | | £ | £ |
| Cash in hand | | 500,346 | 368,007 |
| Total cash and cash equivalents | | <u>500,346</u> | <u>368,007</u> |

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies

a. Accounting convention

Basis and preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable United Kingdom and Republic of Ireland (FRS 102) issued 16 July 2014.

The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2015 and the last financial statements prepared under previous financial reporting framework were prepared for the year ended 31 March 2016. The changes to the financial statements as a result of the transition to FRS 102 can be seen in note 19.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

b. Going concern basis

The financial statements have been prepared on a going concern basis.

Having carried out a detailed review of the Charity's resources and the current economic challenges facing both the charity and its members, the Trustees are satisfied that the charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

c. Fund accounting

Unrestricted funds are those funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are those funds over which the trustees do not have full discretion concerning their use.

d. Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes legally entitled to the income and when this income can be quantified with reasonable accuracy. Any contract income received in advance of the work being done is deferred.

No amounts are included in the financial statements for services provided by volunteers.

e. Resources expended

All expenditure is recognised on an accruals basis. Raising funds are those costs incurred in attracting voluntary income. Charitable activities include costs in furtherance of the charity's objects and support costs relating to those activities. Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements. Support costs include administrative staff and central office costs. Where support staff work for a particular activity their costs are allocated to that activity based on an hourly recharge rate. Any remaining support costs are allocated to the charitable activities in the same percentage.

f. Intangible and tangible fixed assets and depreciation

Depreciation and amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- Computers and software - 33% straight line.
- Leasehold costs – depreciated over the period of the lease (5 years).
- Assets costing less than £1,000 are not capitalised and are included in expenditure.

g. Stocks

Stocks and work in progress are included at the lower of cost and net realisable value.

h. Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity in the year.

i. Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the balance sheet date. All exchange differences are included in the statement of financial activities.

j. Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

k. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. There are no significant estimates or judgments that have a material effect on amounts recognised in the financial statements.

2. Grants and donations

| Year to 31 March 2017 | Unrestricted | Restricted | Total 2017 |
|---|---------------|----------------|----------------|
| Policy | £ | £ | £ |
| The Patsy Wood Trust | - | 26,020 | 26,020 |
| | - | 26,020 | 26,020 |
| Practical projects | | | |
| Environment Agency | - | 30,000 | 30,000 |
| New Forest National Park Authority | - | 12,000 | 12,000 |
| Hampshire and IOW Wildlife Trust | - | 1,000 | 1,000 |
| New Forest National Park Authority | - | 11,529 | 11,529 |
| Trust for Oxfordshire's Environment (TOE) | - | 9,750 | 9,750 |
| Other | - | 5,000 | 5,000 |
| | - | 69,279 | 69,279 |
| Public outreach and partnership | | | |
| Heritage Lottery Fund | - | 398,154 | 398,154 |
| Thames Water Utilities Ltd | - | 51,144 | 51,144 |
| | - | 449,298 | 449,298 |
| Research and monitoring | | | |
| Earthwatch UK | - | 45,030 | 45,030 |
| Syngenta Ltd | - | 26,260 | 26,260 |
| Thames Water Utilities Ltd | - | 3,000 | 3,000 |
| NERC | - | 4,525 | 4,525 |
| Other | 450 | - | 450 |
| | 450 | 78,815 | 79,265 |
| Other | | | |
| Supporter Scheme | 11,566 | - | 11,566 |
| Other | 1,514 | 1,525 | 3,039 |
| | 13,080 | 1,525 | 14,605 |
| Total grants and donations: | 13,530 | 624,937 | 638,467 |

Note some grants are given for projects which bridge different areas of activities. Allocations have been made according to where the majority of the work fits.

2. Grants and donations (continued)

| Year to 31 March 2016 | Unrestricted | Restricted | Total 2016 |
|--|---------------|----------------|----------------|
| Policy | £ | £ | £ |
| The Patsy Wood Trust | - | 26,021 | 26,021 |
| | - | 26,021 | 26,021 |
| Practical projects | | | |
| Environment Agency | - | 125,500 | 125,500 |
| New Forest National Park Authority | - | 19,135 | 19,135 |
| | - | 144,635 | 144,635 |
| Public outreach and partnership | | | |
| Heritage Lottery Fund | - | 361,331 | 361,331 |
| Thames Water Utilities Ltd | - | 28,844 | 28,844 |
| Trelleborg Holdings UK | - | 9,113 | 9,113 |
| | - | 399,288 | 399,288 |
| Research and monitoring | | | |
| Earthwatch UK | - | 67,586 | 67,586 |
| Syngenta Ltd | - | 52,518 | 52,518 |
| Environment Agency | 14,700 | - | 14,700 |
| NERC | - | 5,475 | 5,475 |
| Other | 14,700 | 125,579 | 140,279 |
| Other | | | |
| Supporter Scheme | 10,210 | - | 10,210 |
| Tubney Charitable Trust | - | 28,723 | 28,723 |
| M Goodfellow | 2,000 | - | 2,000 |
| Other | 1,000 | - | 1,000 |
| | 13,210 | 28,723 | 41,933 |
| Total grants and donations : | 27,910 | 724,246 | 752,156 |

3. Charitable activities

| | Unrestricted | Restricted | Total |
|------------------------------------|----------------|---------------|----------------|
| | £ | £ | 2017 |
| Year to 31 March 2017 | £ | £ | £ |
| Practical projects | 38,129 | 43,250 | 81,379 |
| Public outreach and partnership | 83,491 | - | 87,016 |
| Research and monitoring | 152,632 | 3,525 | 152,632 |
| Corporate membership & sponsorship | 2,145 | - | 2,145 |
| | 276,397 | 46,775 | 323,172 |

| | Unrestricted | Restricted | Total |
|------------------------------------|---------------|------------|---------------|
| | £ | £ | 2016 |
| Year to 31 March 2016 | £ | £ | £ |
| Practical projects | 18,288 | - | 18,288 |
| Public outreach and partnership | 23,237 | - | 23,237 |
| Research and monitoring | 15,504 | 776 | 16,280 |
| Corporate membership & sponsorship | 7,445 | - | 7,445 |
| | 64,474 | 776 | 65,250 |

4. Raising funds

| | Unrestricted | Restricted | Total |
|-----------------------|--------------|--------------|--------------|
| | 2017 | 2017 | 2017 |
| Year to 31 March 2017 | £ | £ | £ |
| Staff costs | 1,000 | 1,514 | 2,514 |
| Support costs | 3,764 | 136 | 3,900 |
| | 4,764 | 1,650 | 6,414 |

| | Unrestricted | Restricted | Total |
|-----------------------|---------------|------------|---------------|
| | 2016 | 2016 | 2016 |
| Year to 31 March 2016 | £ | £ | £ |
| Staff costs | 21,405 | 484 | 21,889 |
| Support costs | 4,644 | 60 | 4,704 |
| | 26,049 | 544 | 26,593 |

5. Cost of charitable activities including grants payable and activities undertaken directly by the charity

| | Grants payable | Staff costs | Project activities | Other costs | Support costs | Total 2017 |
|-------------------------------|----------------|----------------|--------------------|--------------|----------------|----------------|
| Year to 31 March 2017 | £ | £ | £ | £ | £ | £ |
| Influencing policy | - | 18,688 | 26,420 | - | 5,041 | 50,149 |
| Practical projects | - | 75,271 | 49,459 | 407 | 15,943 | 141,080 |
| Public outreach & partnership | 38,242 | 219,675 | 157,054 | 4,659 | 115,697 | 535,327 |
| Research & monitoring | - | 46,022 | 45,440 | 300 | 43,647 | 135,409 |
| | 38,242 | 359,656 | 278,373 | 5,366 | 180,328 | 861,965 |

| | Grants payable | Staff costs | Project activities | Other costs | Support costs | Total 2016 |
|-------------------------------|----------------|----------------|--------------------|--------------|----------------|----------------|
| Year to 31 March 2016 | £ | £ | £ | £ | £ | £ |
| Influencing policy | - | 15,521 | 8,132 | - | 4,473 | 28,126 |
| Practical projects | - | 53,295 | 87,685 | - | 11,158 | 152,138 |
| Public outreach & partnership | - | 218,766 | 84,321 | 4,714 | 134,892 | 442,693 |
| Research & monitoring | - | 125,873 | 15,307 | - | 43,517 | 184,697 |
| | - | 413,455 | 195,445 | 4,714 | 194,040 | 807,654 |

6. Support costs

| | Unrestricted 2017 | Restricted 2017 | Total 2017 |
|-----------------------|-------------------|-----------------|----------------|
| Year to 31 March 2017 | £ | £ | £ |
| Staff costs | 4,477 | 79,534 | 84,011 |
| Office running costs | 4,581 | 81,388 | 85,969 |
| Governance costs | 465 | 8,261 | 8,726 |
| Other | 87 | 1,535 | 1,622 |
| | 9,610 | 170,718 | 180,328 |

| | Unrestricted 2016 | Restricted 2016 | Total 2016 |
|-----------------------|-------------------|-----------------|----------------|
| Year to 31 March 2016 | £ | £ | £ |
| Staff costs | 4,720 | 76,556 | 81,276 |
| Office running costs | 5,991 | 97,175 | 103,166 |
| Governance costs | 293 | 5,196 | 5,489 |
| Other | 239 | 3,870 | 4,109 |
| | 11,242 | 182,797 | 194,039 |

7. Net incoming resources

Net incoming resources are stated after charging:

| | 2017 | 2016 |
|---|--------------|-------------|
| | £ | £ |
| Auditors' remuneration for audit services | 6,950 | 3,250 |
| Depreciation on tangible assets | 2,835 | 2,593 |
| Amortisation intangible assets | <u>2,410</u> | <u>-</u> |

8. Trustees' remuneration and related parties

Trustees received reimbursement £851 (2015: £153) in the financial year and no trustees received any remuneration. Unrestricted donations from trustees were £210 (2016: £24)

9. Employees remuneration

The aggregate payroll costs of employees were:

| | 2017 | 2016 |
|--------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 385,845 | 451,029 |
| Social security | 33,935 | 39,352 |
| Pension costs | 21,804 | 22,023 |
| | <u>441,584</u> | <u>512,404</u> |

No employee received emoluments of more than £60,000 during the year (2016 - no. 0)

Average number of employees:

| | 2017 | 2016 |
|-------------------------------|------------------|------------------|
| Policy | 0.5 | 0.5 |
| Practical projects | 2 | 1 |
| Public outreach & partnership | 6.5 | 7 |
| Research & monitoring | 1 | 3.5 |
| Support | 3 | 3 |
| | <u>13</u> | <u>15</u> |

Key management personnel includes the Trustees and senior management. The total employee benefits, including pension costs, of the charity's key management personnel were £187,938 (2016: £211,027)

10. Taxation

The company is a registered charity and is, therefore, exempt from taxation.

11. Intangible fixed assets

| | Software £ | Fixed assets £ |
|---------------------|---------------------|---------------------|
| Cost | | |
| At 01/04/16 | 8,677 | 8,677 |
| Additions | - | - |
| At 31/03/17 | <u>8,677</u> | <u>8,677</u> |
| Amortisation | | |
| At 01/04/16 | - | - |
| Annual charge | 2,410 | 2,410 |
| At 31/03/17 | <u>2,410</u> | <u>2,410</u> |
| At 31/03/17 | <u>6,267</u> | <u>6,267</u> |
| At 31/03/16 | <u>8,677</u> | <u>8,677</u> |

12. Tangible fixed assets

| | Leasehold costs £ | Computers £ | Fixed Assets £ |
|-----------------------|----------------------|---------------------|---------------------|
| Cost | | | |
| At 01/04/16 | 5,575 | 9,410 | 14,985 |
| Additions | - | - | - |
| At 31/03/17 | <u>5,575</u> | <u>9,410</u> | <u>14,985</u> |
| Depreciation | | | |
| At 01/04/16 | 2,230 | 6,863 | 9,093 |
| Annual Charge | 1,115 | 1,720 | 2,835 |
| At 31/03/17 | <u>3,345</u> | <u>8,583</u> | <u>11,928</u> |
| Net book value | | | |
| At 31/03/17 | <u>2,230</u> | <u>827</u> | <u>3,057</u> |
| At 31/03/16 | <u>3,345</u> | <u>2,547</u> | <u>5,892</u> |

13. Stocks

| | 2017 | 2016 |
|------------------|-------------|-------------|
| | £ | £ |
| Books for resale | <u>813</u> | <u>99</u> |

14. Debtors

| | 2017 | 2016 |
|--------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Project debtors | 140,019 | 75,968 |
| Prepayments and accrued income | 103,540 | 103,851 |
| Other debtors | 2,456 | 1,836 |
| | <u>246,015</u> | <u>181,655</u> |

15. Creditors falling due within one year

| | 2017 | 2016 |
|------------------------------------|-----------------------|----------------------|
| | £ | £ |
| Project creditors | 78,956 | 28,061 |
| Deferred income < one year | - | - |
| Accruals | 33,010 | 4,650 |
| Taxation and social security costs | 53,693 | 21,644 |
| Other creditors | 2,610 | 15,451 |
| | <u>168,269</u> | <u>69,806</u> |

16. Analysis of funds

| | At 1-Apr-16 £ | Incoming resources £ | Resources expended £ | Fund transfers £ | Balance 31-Mar-17 £ |
|---|---------------------|----------------------------|----------------------------|------------------------|---------------------------|
| Restricted funds | | | | | |
| Catchment Partnership Funds: Ock, Thame & Beaulieu | 7,628 | 48,000 | 41,343 | - | 14,285 |
| Earthwatch training France | - | 13,457 | 10,945 | - | 2,512 |
| Earthwatch training UK | - | 31,573 | 31,573 | - | - |
| Important Freshwater Areas CaBA | 5,238 | - | 4,917 | - | 321 |
| Important Freshwater Areas Oxfordshire | 23,592 | 26,020 | 38,271 | - | 11,341 |
| Important Areas for Ponds | 6,405 | - | - | - | 6,405 |
| Pond Digging Fund | 17,959 | - | 500 | - | 17,459 |
| Million Ponds Project Phase 2 | 6,448 | - | 245 | - | 6,203 |
| Million Ponds Project Dissemination | - | 5,000 | 347 | - | 4,653 |
| NERC Macronutrients | - | 4,525 | 739 | (3,786) | - |
| New Forest Catchments | 21,888 | - | 14,857 | - | 7,031 |
| New Forest HLF Beaulieu | - | 31,529 | 31,542 | 13 | - |
| New Forest Hatchet | - | 18,250 | 6,822 | - | 11,428 |
| People, Ponds & Water Project HLF | 10,795 | 403,204 | 395,305 | 1,516 | 20,210 |
| People, Ponds & Water Project Valpak | 3,700 | - | 3,062 | - | 638 |
| Policy Officer | 3,841 | - | 3,841 | - | - |
| Tassel Stonewort Translocation Project | 3,862 | - | 3,862 | - | - |
| Thames Water Pinkhill | - | 3,000 | 2,538 | - | 462 |
| Thames Water for Wildlife | 12,038 | 51,144 | 36,054 | (6,075) | 21,053 |
| Thompson Common Pingo Project | 2,877 | - | 2,877 | - | - |
| Trust for Oxfordshire Environment | - | 9,750 | 4,965 | - | 4,785 |
| Tubney Development Fund | 24,491 | - | 21,953 | - | 2,538 |
| Water Friendly Farming Researcher | 12,581 | 26,260 | 16,018 | - | 22,823 |
| Total restricted funds: | 163,343 | 671,712 | 672,576 | (8,332) | 154,147 |
| Unrestricted funds | | | | | |
| General funds | 331,181 | 290,372 | 195,803 | 8,332 | 434,082 |
| Total unrestricted funds: | 331,181 | 290,372 | 195,803 | 8,332 | 434,082 |
| TOTAL FUNDS | 494,524 | 962,084 | 868,379 | - | 588,229 |

16. Analysis of funds (continued)

| | At 1-Apr-15 £ | Incoming resources £ | Resources expended £ | Fund transfers £ | Balance 31-Mar-16 £ |
|---|---------------------|----------------------------|----------------------------|------------------------|---------------------------|
| Restricted funds | | | | | |
| Catchment Partnership Funds: Ock, Thame & Beaulieu | 7,002 | 95,500 | 94,874 | - | 7,628 |
| Earthwatch training France | - | 15,348 | 15,348 | - | - |
| Earthwatch training UK | - | 53,014 | 53,014 | - | - |
| Important Freshwater Areas Pilot | 764 | - | 764 | - | - |
| Important Freshwater Areas CaBA | - | 22,000 | 16,762 | - | 5,238 |
| Important Freshwater Areas Oxfordshire | - | 26,021 | 2,429 | - | 23,592 |
| Important Areas for Ponds | 6,405 | - | - | - | 6,405 |
| Pond Digging Fund | 17,959 | - | - | - | 17,959 |
| Million Ponds Project Phase 2 | 8,507 | - | 2,059 | - | 6,448 |
| NERC Macronutrients | 4,653 | 5,475 | 10,128 | - | - |
| New Forest Catchments | 27,548 | 20,000 | 25,660 | - | 21,888 |
| New Forest HLF Beaulieu | - | 7,135 | 7,135 | - | - |
| People, Ponds & Water Project HLF | 1,659 | 366,744 | 370,318 | 12,710 | 10,795 |
| People, Ponds & Water Project Valpak | - | 3,700 | - | - | 3,700 |
| Policy Officer | 10,458 | - | 6,617 | - | 3,841 |
| Tassel Stonewort Translocation Project | 3,936 | - | 74 | - | 3,862 |
| Thames Water for Wildlife | - | 28,844 | 16,806 | - | 12,038 |
| Thompson Common Pingo Project | 2,877 | - | - | - | 2,877 |
| Tubney Development Fund | 7,296 | 28,723 | 11,528 | - | 24,491 |
| Water Friendly Farming Researcher | 9,415 | 52,518 | 49,352 | - | 12,581 |
| Total restricted funds: | 108,479 | 725,022 | 682,868 | 12,710 | 163,343 |
| Unrestricted funds | | | | | |
| General funds | 402,143 | 93,127 | 151,379 | (12,710) | 331,181 |
| Total unrestricted funds: | 402,143 | 93,127 | 151,379 | (12,710) | 331,181 |
| TOTAL FUNDS | 510,622 | 818,149 | 834,247 | - | 494,524 |

Restricted funds consist of grants which have been made Freshwater Habitats Trust which have yet to be fully completed and span over the year end. Transfers between funds occur when there is match funding agreed at the start of the project.

17. Analysis of net assets by funds

| | Unrestricted | Restricted | Total Funds |
|-----------------------|----------------|----------------|----------------|
| Year to 31 March 2017 | £ | £ | £ |
| Fixed assets | 9,324 | - | 9,324 |
| Current assets | 512,335 | 234,839 | 747,174 |
| Current liabilities | (87,577) | (80,692) | (168,269) |
| Net assets | <u>434,082</u> | <u>154,147</u> | <u>588,229</u> |

| | Unrestricted | Restricted | Total Funds |
|-----------------------|----------------|----------------|----------------|
| Year to 31 March 2016 | £ | £ | £ |
| Fixed assets | 14,569 | - | 14,569 |
| Current assets | 340,884 | 208,877 | 549,761 |
| Current liabilities | (24,272) | (45,534) | (69,806) |
| Net assets | <u>331,181</u> | <u>163,343</u> | <u>494,524</u> |

18. Operating lease commitments

As of 31 March 2017 the charity had the following commitments under non-cancellable operating leases.

| | Land and buildings 2017 £ | Land and buildings 2016 £ |
|-------------------------------|------------------------------|------------------------------|
| Expire within one year: | <u>-</u> | <u>-</u> |
| Expiry in one to three years: | <u>21,000</u> | <u>21,000</u> |

19. Transition to FRS 102

This is the first year the charity has prepared its financial statements under FRS 102. The last financial statements prepared under UK GAAP were for the year ended 31 March 2016 and the date of transition was 1 April 2015.

The following changes have been made as a result of transition to FRS 102:

- Software held has been reclassified from tangible assets to intangible assets.
- Governance costs are now included with support costs.

20. Financial instruments

| Financial instruments | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Financial assets measured at amortised cost | <u>244,596</u> | <u>177,549</u> |
| Financial liabilities measured at amortised cost | <u>135,258</u> | <u>65,156</u> |